



ESSA Updates and ESSA Changes

2018 Spring Fiscal Workshops

Jackson-April 16-17

Sevierville-April 23-24

Lebanon-April 30-May 1

Office of Chief Financial Officer LEA Finance Division



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Allocations

How do they work?

Allocation and Reallocations

- **FY18 Final 2nd** revised allocations have arrived. The plan for uploading them into ePlan is **tentatively** May 1 after FY19 applications are submitted.
- FY19 Prelim Estimated Allocations were loaded into ePlan for **April 2 workshops**, as FY19 Prelim allocations from the USEd were **received last week and are being calculated for you**.
- FY19 Finals will be uploaded in ePlan in July.
- **Correct counts** for the following groups are collected in October and submitted to USEd for next year's allocations:
 - Students in local neglected and local delinquent facilities
 - Foster students NOT placed in neglected and delinquent facilities. Placement address determines the “credit” for the count.
 - ELL students who were tested in the fall and are coded in EIS as L, 1, 2 or W
 - Coded students in manually adjusted systems for Direct Certification and EOM membership
 - Private school students whose school administrators have elected to participate in title programs. (Collected in **February** for the upcoming grant year)

Formula Allocation process:

Any formula allocation:

1. Starts with USEd, then
2. Comes to the SEA for required set-asides and adjustments for special LEAs (TSB, TSD, WTSD, York, SBE and ASD), as well as adjustments for zoning changes not reflected on the Census (any LEA which submitted zone changes within the past two years), then
3. Results in a final calculation for the eligible LEAs.

This process is repeated for every iteration of an allocation initiated by USEd. In the past several years, this resulted in a preliminary estimate (due to the delay of preliminary amounts), preliminary, final, final revised and final 2nd revised allocations.

ESSA grant formulas for Title I-A

Title I-A grants are required by ESSA to be calculated on four formulas:

- **Basic grants**
- **Concentration grants**
- **Targeted grants, and**
- **Education Finance Incentive Grants (EFIG)**

In general, an LEA allocations is the sum of the allocations received through the four formulas MINUS the amount reserved by the SEA for ESSA required or authorized activities. (School Improvement [7%], Administration [up to 1%, based on national total], and optional Direct Services grant [3%])

Factors used to determine USEd calculations

1. **Formula children** (Annually updated **poverty** estimates by the Census Bureau [~ 97% of formula children]; **state reported counts** of children in local institutions of **Neglected** and **Delinquent** children, publically-supported **Foster** homes, and families receiving **TANF** assistance exceeding the poverty level [~3% of formula children])
Our local delinquent children receive a separate grant through Title I-D, Subpart 2)
2. **LEA Hold Harmless**-95% (=>30% formula percentage), 90% (15%-29.9% formula percentage) or 85% (=< 14.99% formula percentage)
3. **SEA adjustments**-Set-asides and manual adjustments
4. Funding level for fiscal year (FY18-\$15.49 billion; FY19-\$15.76 billion)
5. State per pupil expenditure (FY15-\$8,726; FY17-\$9,958-8th state from bottom of list)
6. Small State minimum (N/A for TN)
7. State-reported LEA expenditure data and State per capital income data (EFIG only)

Impact of formula children on allocations

Eligibility for each sub-pot as defined by USEd:

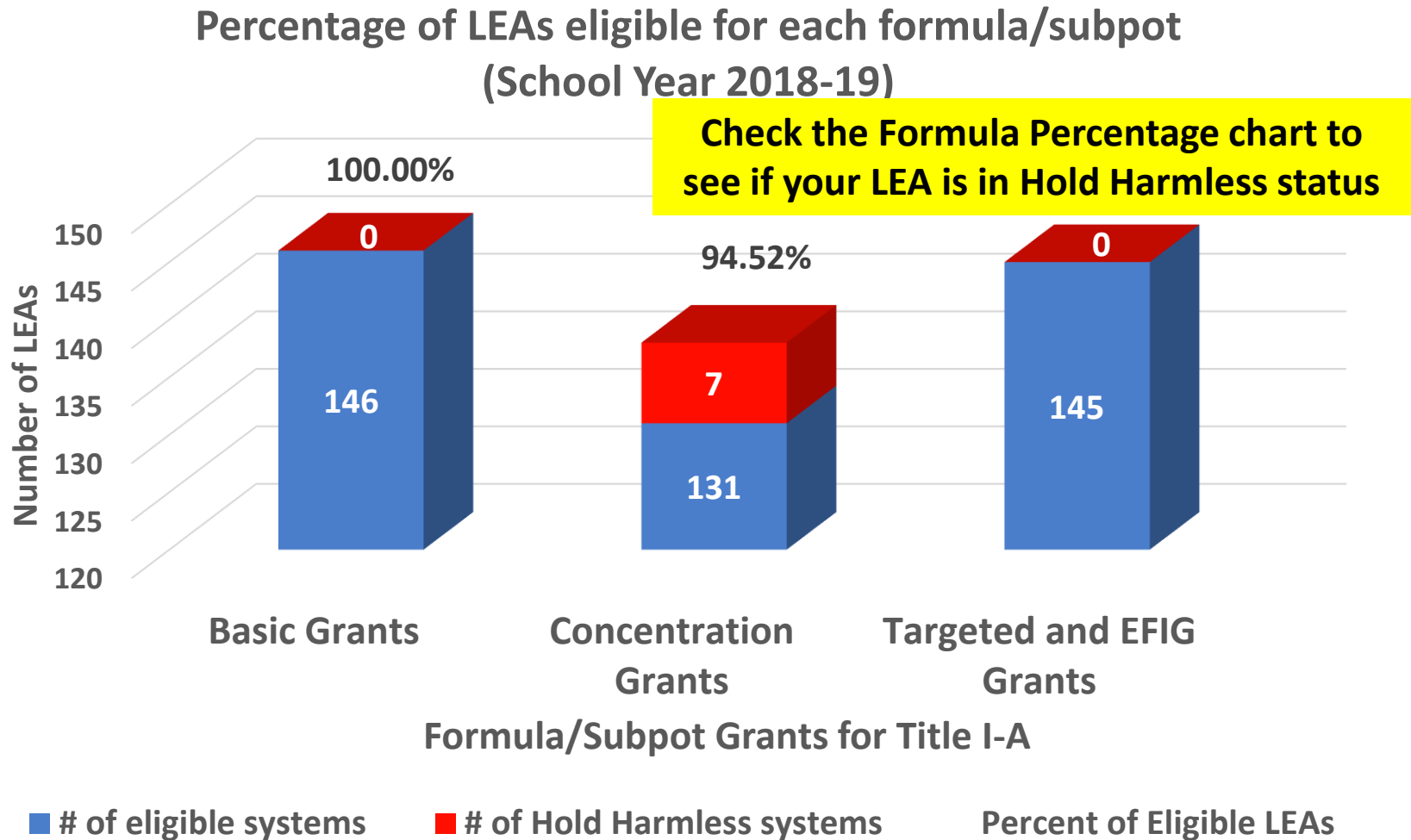
- 1. Basic Grants:** At least 10 formula children and that number exceeds 2% of an LEA's school-age population (per Census estimate).
- 2. Concentration Grants:** Basic grant eligibility AND the number of formula children exceeds 6,500 **OR** 15 percent of the total school-age population (per Census estimate).
- 3. Targeted Grants:** The formula count is at least 10 and at least 5% of the LEA's school-age population.

(Based on the same data used for Basic and Concentration Grants, except that the data is weighted so that LEAs with higher poverty numbers or higher percentages of children receive more funds.)

- 4. Education Finance Incentive Grants (EFIG):** Same criteria as **#3**.

(Distributed funds to states based on factors that measure a state's effort to provide financial support for education compared to its relative wealth as measured by its per capital income; and the degree to which education expenditures among LEAs within the state are equalized [state reported]).

Percentage of TN LEAs eligible for each subpot



How Eligibility Affects Allocations

Title I Allocations and Formula Children

FY18-(School Year 2017-18) Title I Funding Levels

- **Basic Grants: ~\$6.5 billion (41.9%)**
- **Concentration Grants: ~\$1.4 billion (9%)**
- **Targeted Grants: ~\$3.8 billion (24.5%)**
- **EFIG: ~\$3.8 billion (24.5%)**
- **Total: ~\$15.5 billion**

SEA Allocation adjustments

Once the SEA receives the allocation and population sheets from USEd:

- 1. USEd Data is entered into our allocation spreadsheet,**
- 2. Manual adjustments are made for those LEAs which have no defined borders (ASD [Shelby and Davidson] and York [Fentress]), are charter LEAs (SBE [Shelby/Davidson locations]), or have rezoning or annexation border changes [Arlington/Lakeland, Rutherford/Murfreesboro, and Bradley/Cleveland]).**
- 3. Comparing Direct Cert to Census Poverty and EOM membership to 5-17 Census population, a derived poverty number is generated and USEd charts determine the amounts generated in each of the four formula sub-pots.**

SEA Allocation adjustments

- 4. Required set-asides for school improvement (7%) and state admin (up to 1%-capped) are removed from the total allocation,**
- 5. School improvement set-asides can only be calculated for systems whose USED total allocation is more than last year's state-generated allocation.**
- 6. Remaining flow-through amount is distributed to LEAs and Title I-D, Part 2 (Local Delinquent portion) so all LEAs meet or exceed their Hold Harmless percentage.**
- 7. Each Title I-A allocation may contain both a base allocation and a Local Neglected portion, if applicable.**
- 8. State special schools receive an allocation based on their enrollment and students' home location.**
- 9. 20% of each year's allocation is available on July 1, 2018, with the remainder becoming available in October after Congressional approval.**



**How other ESSA grants
are calculated**

Allocations Calculations For ESSA Grants How? (Continue)

Title II-A:

- The allocations to LEAs are the flow-through funds remaining after deducting all the set-asides from the received allocations from USEd.
- Flow-through funds are then divided into 2 categories: 20% for population count and 80% for poverty/derived poverty count.
- 20% of the allocation for an LEA is based on the LEA's % of 5-17 population related to the total state 5-17 population from the Census.
- 80% of the allocation for an LEA is based on the LEA's % of 5-17 poverty count related to total state 5-17 poverty count from the Census.

Allocations Calculations For ESSA Grants How? (Continue)

Title III-A:

- After deducting the set-asides from total allocation received from USED (state admin and selected Immigrant grant), the remaining amount is flow-through funds for LEAs.
- The EIS unduplicated enrolled student count with tested English Language backgrounds coded L and W for grades K -12 by October 1, 2017 PLUS the identified, tested private school participating students is used to calculate the LEA portion of the flow-through allocation.
- The total student count is then divided into the flow-through amount to determine the per pupil allocation.
- An LEA's portion is the per pupil amount multiplied by the eligible student count for that LEA.
- Mitigating factors to the final amount:
 - An LEA can decide to release their eligible portion of the allocation.
 - LEAs who do not generate \$10,000 or more MUST join a consortium and their funds are distributed by the chosen Fiscal Agent for the consortium.
 - Once releases are entered, the total number of students served decreases and allocations per participating LEA will increase.

Title III-A Categories:

Definitions of type of Service = P (Primary) English Language Backgrounds reported in EIS:

- **L = English Learner (EL)** - first language is not English and receiving services from an ESL teacher (used to determine allocation)
- **1 = Transition Year 1** - first year after attaining proficiency in English (isn't used to determine allocations, but for staffing only)
- **2 = Transition Year 2** - second year after attaining proficiency in English (isn't used for allocations, but for staffing only)
- **W = Waived ESL Services** - qualify for ESL but decline services of ESL teacher and are served in the regular classroom (used for allocation)

Staffing ratios for this year are 1 teacher for every 35 students. All four categories of students count for staffing ratios. Partial staffing positions are also required-i.e. 1 half-time teacher for 18 students, etc.

Allocations Calculations For ESSA Grants How? (Continue)

Title IV-A:

- Title IV-A allocations to LEAs are calculated based on the LEA's percentage of Title I-A Allocations related to the total Title I-A flow-through funds.
- All identified LEAs are eligible for Title IV-A funds except State Agencies
- The minimum threshold of allocation is \$10,000.00 per LEA.
- To meet the minimum threshold \$10,000.00 allocation per LEA, all the allocations have to be adjusted to be compliant.

Allocations Calculations For ESSA Grants How? (Continue)

Title V-Rural Education Achievement Program:

Eligibility to receive an allocation for either Title V-A (SRSA) or V-B (RLIS) is subject to the following criteria:

❖ SRSA (Title V-A) Small, Rural School Achievement Program:

- The total number of students in average daily attendance (ADA) at all of the schools served by the LEA is fewer than 600 **AND**
- All schools served by the LEA must have a locale code of 41, 42, or 43 **OR**
- The Secretary of Education has determined, based on demonstration by the LEA and concurrence of the SEA, that the LEA is located in an area defined as rural by the state. **AND**
- If an LEA generates \$60,000 as a combination of their Title II-A and Title IV-A allocations, they become ineligible to receive SRSA funds for that year, since the law limits funding from all three sources to \$60,000.

Allocations Calculations For ESSA Grants

How? (Continue)

RLIS (RLIS):

- October 1, 2017 ADA numbers (SY 2016-17) for LEAs from RLIS Eligibility spreadsheet were used to determine the Preliminary Estimate Allocations for FY19
- 20% or more of children aged 5-17 must be from families with incomes below poverty line as determined by the small area income poverty estimate data (SAIPE Data) **AND**
- All schools served by the LEA must have a locale code of 32, 33, 41, 42, or 43 **OR**
- The Secretary of Education has determined, based on demonstration by the LEA and concurrence of the SEA, that the LEA is located in an area defined as rural by the state.



Revisions-
How does this affect me?

What does this mean to me?

- **When revised allocations are posted on ePlan, the system will turn your approved application into “Revision Started”**
 - **Budget will be changed in total to the new amount**
 - **You will see a Validation Message on your application, and WHEN you submit your next revision, you will need to change your project budget by line item(s) to the new total.**
 - **Urgency?**

Revisions

Revisions are started in ePlan when:

- Allocations and/or carryover amounts are changed by TDOE.**
- An LEA determines their program should change due to LEA needs/financial or personnel events, etc.**

An application can stay in “Revision Started” status until the LEA begins the process for a revision submission.

- Reimbursement requests may still be submitted, but the funding remains at the last approved amounts/line item totals unless the revised total is reduced by TDOE.**
- If the revised total or approved line item totals are smaller than a submitted request, ePlan will “cap” the requests at the smaller total and line item amount until the new revision is totally approved.**

Revisions (

The new budget revisions will not go into effect until the Superintendent/Director of Schools has approved the revision submission.

The entire process is required before program changes are to be implemented and funding is altered/requested as revised.

IF the revision is returned at ANY STEP, the revised application will not be reviewed until the requested adjustments have been made and the revision is submitted again for the entire review.

Revisions

<i>Revision Status Workflow Steps</i>	<i>Who submits/changes the status?</i>	<i>Discretionary Workflow Steps</i>	<i>Who submits/changes the status?</i>
1. Revision Started	TDOE or one of the LEA's Consolidated Directors	1. Revision Started	TDOE or one of the LEA's Discretionary Directors
2. Revision Completed	One of the LEA's Consolidated Directors	2. Revision Completed	One of the LEA's Discretionary Directors
3. LEA Fiscal Rep Approved	LEA's Fiscal Representative/Bookkeeper	3. LEA Fiscal Rep Approved	LEA's Fiscal Representative/Bookkeeper
4. TDOE Regional Consultant Approved	TDOE Regional Consultant	4. LEA Authorized Rep Approved	LEA's Director of Schools/Superintendent
5. TDOE CPM Approved	TDOE CPM Director	5. TDOE CORE Consultant Approved (selective grants only)	TDOE CORE Discretionary Consultant (selective grants only)
6. LEA Authorized Rep Approved	LEA's Director of Schools/Superintendent	6. TDOE (Discretionary) Reviewer Approved	TDOE (Discretionary) Project Director



Census School District Review Program (SDRP)

2017 SDRP Overview



U.S. Department of Commerce
Economics and Statistics Administration
U.S. CENSUS BUREAU
census.gov

- Tennessee is committing to review the Census Bureau's school district information every two years, and provide updates and corrections to boundaries, LEA name changes, and grade ranges served.
- These district records are used to form the Census Bureau's estimates of the number of children aged 5-17 in families in poverty for each school district, which forms the basis for Title I allocations for each district

Note: Changes made during the 2017-2018 School District Review Program (SDRP) will not be reflected on the Census until FY20's Title I allocations.

(This past year zoning/annex and grade level changes were submitted for Bradley/Cleveland, Rutherford/Murfreesboro, and Arlington/Lakeland.)

SDRP Overview



U.S. Department of Commerce
Economics and Statistics Administration
U.S. CENSUS BUREAU
census.gov

- **2017-2018 SDRP Timeline:**
 - **Annotation Phase:**
 - September 30, 2017: Deadline for districts to submit updates to TDOE
 - December 29, 2017: Deadline for TDOE to submit updates to SDRP
 - **January – April, 2018: Verification Phase, when previously-submitted updates are reviewed for accuracy**
 - **December, 2018: Census release of preliminary poverty estimates based on SDRP updates (for FY20 allocations)**
- **Currently, our office has border changes from only Murfreesboro/Rutherford, Lakeland/Arlington, Bradley/Cleveland**
- **The next SDRP window will open in August, 2019**



2018 Foster Count and FY19 Allocations

Foster Count – Things to Note

- Student classifications entered into EIS are not used to determine districts' foster count
- The district in which a child is placed is the district that receives the “credit” for that child in their formula count
 - If a child attends a “School of Origin” in another district, that district does *not* receive credit for the foster child in their formula count because the child is not placed/living there, regardless of which district might be paying to transport the child
- Foster children living in Neglected and Delinquent facilities count toward a district's Neglected/Delinquent count, not toward the foster count
- Pre-K and foster children over 18 are excluded from the count

Transferability

One hundred percent (100%) of certain ESSA funds can be transferred into another approved project if appropriate. This often happens when a project's funding has been dramatically reduced and additional funds are needed to fulfill the project plan.

Some considerations:

- Title I-A: Money can ONLY be transferred IN. Set-asides apply
- Title II-A: Money can be transferred IN from Title IV-A OR OUT of Title II-A into Title I-A, III, IV and V. *I-A set-asides apply.*
- Title III: Money can ONLY be transferred in from Title IV, but not out
- Title IV: Money can be transferred into Title I-A, II, III or V
- Title V: Money cannot be transferred OUT, but Title V funds can be used as if they were in any other title.

Why do I need to move this money? Are any set-asides required?

Transferability into ConAdmin

On ePlan, transfers can be made on the allocations page. ConAdmin transfers are “deducted” immediately from the “donating project budget”. They are paid OUT using the same percentages as the individual contribution of project funds compared to the total. This information will be displayed when a reimbursement request for ConAdmin is made.

Allocations

Montgomery County (630) Public District - FY 2018 - Consolidated - Rev 2 - Allocations

Total	\$7,533,446.76	\$103,882.91	\$0.00	\$0.00	\$959,249.73	\$126,814.26	\$184,986.15	\$0.00	\$0.00
	(1) Title I-A CFDA: 84.010A	(2) Title I-A Neglected CFDA: 84.010A	(3) Title I-D LEA CFDA: 84.010A	(4) Title I-D SA CFDA: 84.013A	(5) Title II-A CFDA: 84.367A	(6) Title III CFDA: 84.365A	(7) Title IV CFDA: 84.424A	(8) Title V CFDA: 84.358A	(9) ESEA Con. Admin
From Title I-A	(\$332,575.00)								332,575.00
From Title I-A Neglected									0.00
From Title I-D LEA									0.00
From Title I-D SA									
From Title II-A	0.00								1,000.00
From Title III									100.00
From Title IV	0.00								0.00
From Title V								0.00	0.00
From ESEA Con. Admin									0.00
From School-wide Pool									
From IDEA, Part B									
From IDEA Preschool									
Total	\$7,200,871.76	\$103,882.91	\$0.00	\$0.00	\$958,249.73	\$126,714.26	\$184,986.15	\$0.00	\$333,675.00

ConAdmin Percentage Calculations		
		% of Total
<u>Donating Project</u>	<u>Contributing Amount</u>	<u>ConAdmin Project</u>
Title I-A	\$ 332,575.00	99.67%
Title II-A	\$ 1,000.00	0.30%
Title III	\$ 100.00	0.03%
TOTAL Contributed	\$ 333,675.00	100.00%

ConAdmin requests-

How can I tell where \$ was drawn?

Department of Education

Payment Details

Shelby County (792) - FY 2018 - Consolidated Admin Pool

Grant	Source	Amount
Title I-D LEA	CFA Title I-D LEA-2016 (F) (Speedchart: ED00000994)	\$31.93
Title I-A	CFA Title I-A-2017 (F) (Speedchart: ED00001067)	\$161,924.64
Title II-A	CFA Title II-A-2017 (F) (Speedchart: ED00001081)	\$8,445.55
Title III	CFA Title III-ELL-2017 (F) (Speedchart: ED00001079)	\$1,026.61
Title I-A Neglected	CFA Title I-A Neglected-2017 (F) (Speedchart: ED00001070)	\$271.18
Total		\$171,699.91

Return

Title V	\$0.00	\$0.00	\$0.00	\$0.00
Consolidated Admin Pool	\$2,964,031.00	\$2,964,031.00	\$171,699.91	\$2,792,331.09
School-wide Pool	\$0.00	\$0.00	\$0.00	\$0.00
IDEA, Part B	\$24,191,656.00	\$24,191,656.00	\$3,645,229.03	\$20,546,426.97
IDEA Preschool	\$218,835.00	\$218,835.00	\$11,535.68	\$207,299.32

The logo consists of a red square containing the white letters 'TN' in a serif font. Below the red square is a thin dark blue horizontal bar.

TN

TM

Drop Dead and Carryover

Drop-Dead Funds

- **Remaining funds from grants in FY17 are returned to the Federal government in January, 2019 IF:**
 - The funds are not obligated (according to EDGAR) by September 30, 2018 and
 - Liquidated by December 30, 2018
- **Local Finance has asked that all requests be submitted by **December 14, 2018** to avoid loss of funds processed after the deadline.**



Drop Dead Funds as of 04/12/18

- **School Improvement Combined: 10 LEA - \$58,510.00**
- **Title I-A: 3 LEA - \$94,012.00**
- **Title I-A-Local Neglected: 10 LEA - \$170,430.00**
- **Title I-D: 1 LEA - \$13,749.00**
- **Title I-D-SA : 2 LEA - \$219,903.00**
- **Title II-A: 16 LEAs - \$1,580,035.00**
- **Title III-A ELL: 3 LEA - \$29,144.00**
- **Title III Immigrant: 5 LEAs - \$137,253.00**
- **Title VI: 20 LEAs - \$399,970.00**
- **Title X-C Homeless: 4 LEA - \$17,067.00**
- **MSP: 7 LEAs - \$2,429,628.00**
- **CTE Basic Grant: 61 LEA - \$1,000,555.00**
- **21st Century Title VI-B: 68 LEAs - \$1,423,998.00**

Total Outstanding: \$7,574,254.00

Release of Funds

FY 20 RELEASE OF FORMULA FUNDS

Complete and return this form by mail (as soon as possible) so a reallocation of released funds may be made to other LEAs.

SYSTEM #

SCHOOL SYSTEM:

Please Check (X) Only the Affected Titles:

TITLE I, PART A-Improving Academic Achievement

☐ The following Title I-A funds are hereby released to be reallocated to other school systems.

☐ FY20 Title I-A funds to be released.

TITLE I, PART D-Local Neglected and Delinquent

☐ The following Title I-D funds are hereby released to be reallocated to other school systems.

☐ FY20 Title I-D funds to be released.

TITLE II, PART A-Teacher Quality

☐ The following Title II-A funds are hereby released to be reallocated to other school systems.

☐ FY20 Title II-A funds to be released.

TITLE III, PART A-English Language Learners

☐ The following Title III-A funds are hereby released to be reallocated to other school systems.

☐ FY20 Title III-A funds to be released.

21st CCLC Funds

☐ The following 21st CCLC funds are hereby released to be reallocated to other school systems.

☐ FY20 21st CCLC funds to be released.

Read to Be Ready Summer Literacy Camps Grant

☐ The following Read to Be Ready funds are hereby released to be reallocated to other school systems.

☐ FY2017 Read to Be Ready funds to be released.

Title X, Homeless

☐ The following Title X funds are hereby released to be reallocated to other school systems.

☐ FY20 Title X funds to be released.

(Typed Name of Director of Schools)

(Signature of Director of Schools)

(Date)

E-Mail to Maryanne.durski@tn.gov, and the appropriate program manager.
ED-5211

TN Department of Education
Office of the Chief Financial Officer
710 James Robertson Parkway 9th Floor
Nashville, TN 37243-0379

Elements Needed:

- Year of funds to be released *(if multiple years of funding to be released, separate onto different forms by year)*
- System name and number
- Check box for the grant
- Amount to be released
- Director of Schools typed or printed name, signature
- Date

Carryover Caps and Remaining Funds

- Title I-A has a 15% carryover cap and Title III-A (English Language Learners) and Title IX have a 25% carryover cap on last year's money (FY18):
 - The funds have to be obligated according to EDGAR by September 30, 2018 AND
 - Liquidated by December 30, 2018
- Local Finance has asked that all reimbursement requests be submitted by **December 14, 2018** to avoid loss of funds processed after the deadline.

Carryover Cap Waiver Letters

- **Districts with carryover concerns will be listed on the Carryover Concerns chart that is emailed periodically during the summer & fall.**
- **Waiver letters should be submitted each year as soon as your district thinks you may need it, provided your district is eligible for a waiver that year (indicated on the Carryover Concerns Chart).**
 - **Waiver letters can be submitted every three years**
 - **When a waiver letter is submitted but later is no longer needed, the waiver letter will be disregarded, and your district is made eligible again for the next year.**

Carryover Cap Waiver Letters

- In October, the Office of the Chief Financial Officer will send a notification to the fiscal consultants for LEAs with carryover concerns to confirm if those districts have obligated expenditures to meet the carryover cap requirements for a combination of Title I-A and I-D, Subpart 2, and/or Title III, and Title IX.
- In January, the Office of the Chief Financial Officer will place a hold on ePlan for the affected grant/s with any excess amount (over the allowed amount-**15%** for the combination of Title I-A and Title I-D, Subpart 2, and **25%** for Title III and Title IX) UNLESS we have an approved waiver letter on file prior to the end of December.
- As a result, the allocation of the current year for the affected grant/s will be reduced by the excess amount over the allowed cap.

Maintenance of Effort Calculations

ESSA: Districts must maintain a 90% maintenance of effort to be compliant, comparing net non-federal past year and second preceding year expenses.

- **EX: System A spent \$1,000,000 in 15-16 and \$800,000 in 16-17**
 - **MOE requires an expenditure of 90% of \$1,000,000 be spent in 16-17.**

The ESSA Grants Management Team then recalculates the non-compliant systems' per-pupil expenditures.

- **EX: System A spent \$1,000 per student in 15-16 and \$850 per student in 16-17**

If a district does not meet the maintenance of effort requirement for **two years within a five year period, that district is non-compliant.**

Grants Management Team MUST reduce most of the upcoming allocations by the same percentage by which the LEA missed compliance.

- **EX: System A will have their next year's allocations reduced by 5% (least offensive calculation method)**

The following year, the LEA is again assessed using the required expenditure amounts as if they had been compliant last year.

Questions?

FRAUD, WASTE or ABUSE

Citizens and agencies are encouraged to report fraud, waste or abuse in State and Local government.

NOTICE: This agency is a recipient of taxpayer funding. If you observe an agency director or employee engaging in any activity which you consider to be illegal, improper or wasteful, please call the state Comptroller's toll-free Hotline:

1-800-232-5454

Notifications can also be submitted electronically at:

<http://www.comptroller.tn.gov/hotline>